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UNCLAS VATICAN 000083

SIPDIS

DEPT. FOR EUR/WE (MENNUTI), EB/ESC (WILLIAMSON); DEPT PLEASE  
PASS OFAC

FROM EMBASSY VATICAN/MESSAGE NO. 004/02

SENSITIVE

E.O. 12958: N/A

TAGS: [PREL](#) [ETTC](#) [EFIN](#) [VT](#)

SUBJECT: VATICAN PM WANTS HIS MONEY

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1. (SBU) THIS IS AN ACTION MESSAGE. CARDINAL SODANO, VATICAN PM EQUIVALENT, ON 01/08/02 PASSED CHARGE A LETTER VERBALE ADDRESSED TO THE AMBASSADOR (FAXED TO EUR/WE) IN WHICH HE REQUESTED THE INTERVENTION OF THIS EMBASSY TO EXPEDITE THE UNBLOCKING BY OFAC OF VATICAN OFFICIAL FUNDS. THESE FUNDS WERE DESTINED TO SUPPORT THE HOLY SEE'S EMBASSY (NUNCIATURE) IN HAVANA. SODANO ALSO ASKED POST TO PASS TO THE DEPARTMENT OF THE TREASURY A NOTE VERBALE REQUESTING THE UNBLOCKING OF THE FUNDS. ACTION REQUESTED: PLEASE PASS THIS INFORMATION TO OFAC ASAP; PLEASE PROVIDE GUIDANCE FOR RESPONDING BEFORE THURSDAY, JANUARY 10, WHEN AMBASSADOR WILL SEE SODANO AT AN OFFICIAL FUNCTION.

2. (SBU) THE INFORMATION POST HAS ON THIS ISSUE ALL COMES FROM A PACKET OF CORRESPONDENCE BETWEEN THE ARCHDIOCESE OF NEW YORK AND OFAC (ALL FAXED TO EUR/WE). THE BASIC FACTS ALLEGED ARE THAT THE ARCHDIOCESE ATTEMPTED ON JULY 5, 2001 TO TRANSFER A PORTION OF THE PROCEEDS OF A VATICAN INVESTMENT TO THE ACCOUNT OF THE HAVANA NUNCIATURE AT THE ISTITUTO PER LE OPERE RELIGIOSE (IOR -- THE VATICAN'S OFFICIAL BANK). AT THAT POINT OFAC BLOCKED THE TRANSFER. THE NUNCIATURE APPLIED FOR A LICENSE BY JULY 7, 2001. BY SEPTEMBER 25, 2001 OFAC AND THE ARCHDIOCESE HAD EXCHANGED CORRESPONDENCE DETAILING PARTICULARS OF THE PROPOSED IOR TRANSACTION. BY JANUARY 5, 2002, WITH NO APPARENT ACTION ON THE PART OF OFAC, CARDINAL SODANO SENT THE NOTE AND LETTER REFERRED TO ABOVE.

3. (SBU) COMMENT: THIS TRANSACTION HAS RISEN TO THE LEVEL OF A FOREIGN POLICY ISSUE WITH THE LETTER FROM THE PRIME MINISTER TO THE AMBASSADOR. WE NOTE THAT ON SEVERAL LEVELS  
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THIS ISSUE IS A NEURALGIC ONE FOR THE HOLY SEE -- FIRST BECAUSE THE MONEY IS PART OF THE VATICAN'S OFFICIAL, INDEED DIPLOMATIC ACCOUNTS. SECOND, BECAUSE IT HAS BEEN BLOCKED AS PART OF A SANCTIONS REGIME THAT THE HOLY SEE HAS RESOLUTELY OPPOSED SINCE ITS INCEPTION. THIRD, BECAUSE THE IOR HAS IN THE LAST YEAR BEEN SUBJECT TO A NUMBER OF LEGAL PROCEEDINGS IN U.S. COURTS IN A MANNER WHICH SODANO PERSONALLY HAS ASSERTED VIOLATE THE HOLY SEE'S INTERNATIONAL SOVEREIGN RIGHTS. SODANO WILL ENCOUNTER THE AMBASSADOR AT THE ANNUAL DIPLOMATIC CORPS DINNER THIS COMING THURSDAY; THIS ISSUE IS EXACTLY THE SORT OF ISSUE HE HAS SEIZED UPON IN THE PAST TO PILLORY THE USG FOR ITS ALLEGED LACK OF RESPECT FOR VATICAN SOVEREIGNTY. END COMMENT.  
MERANTE

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